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## DEPARTMENT OF STATE

Washington, D.C. 20520

Executive Registry

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May 10, 1982

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Senior Interagency Group No. 23

DRI-394582

TO : OVP - Mrs. Nancy Bearg Dyke  
 NSC - Mr. Michael O. Wheeler  
 ACDA - Mr. Joseph Presel

Commerce - Mrs. Helen Robbins  
 Defense - COL John Stanford  
 Energy - Mr. William Vitale  
 JCS - MAJ Dennis Stanley  
 Justice - Mr. F. Henry Habicht  
 NASA - Mr. Kenneth Pedersen  
 Treasury - Mr. David Pickford  
 UNA - Amb. Harvey Feldman  
 USTR - Mr. Richard Heimlich

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SUBJECT: SIG Meeting Summary of Conclusions

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Attached is the Summary of Conclusions for the meeting of the SIG on the Transfer of Strategic Technology held May 5. It is covered by a Chairman's Note. Provided with the Summary is a copy of the Terms of Reference (TOR) discussed at the May 5 meeting.

*L. Paul Bremer, III*  
 L. Paul Bremer, III  
 Executive Secretary

## Attachments:

1. Chairman's Note
2. Summary of Conclusions
3. SIG Terms of Reference

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CHAIRMAN'S NOTE

Thank you for your attendance at Wednesday's Senior Interagency Group on the Transfer of Strategic Technology. The time could not be better to demonstrate that this Administration intends to act with resolve in controlling the flow of strategic technology to the Soviet Union. [redacted]

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clearly pointed out the Soviets' massive and centralized technology acquisition program. If we are to be successful in countering this program and thus insuring the protection of our long-term national security interests, we must work together in controlling the flow of strategic technologies to our potential adversaries.

Our discussion reflected the fragmented nature of the USG response to this problem. I am sure that you will agree that we urgently require a central forum to discuss and coordinate our approach, although it is clear there is some disagreement over the action to be taken. I believe the Terms of Reference (TOR) for this SIG clearly identify the international aspects of the technology transfer issues and delineate a mechanism that will achieve our goals. If they can be interpreted to go beyond these and to encroach on prerogatives of other departments, they should of course be modified.

In that regard, I must assert the State Department's responsibility in these matters as established by Sections 5(k) and 5(i) of the Export Administration Act (EAA) and by National Security Decision Directive No. 2 dated January 12, 1982, which empowers the Secretary of State to establish SIGs involving foreign policy issues.

The TOR is attached for your review. If you have specific comments, please forward them to my staff. It is my hope that a TOR can be approved at our next meeting in early June so that we can get on to the more pressing policy issues. What is critical is that our response to the national security implications of technology transfer not become hostage to narrow interpretations of the law or to bureaucratic disputes. We must establish a policy review and coordination process that will deal with this serious problem. Congress recognizes the problems we face; we also must face up to our responsibilities.

Sincerely,



James L. Buckley

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**Attachments:**

1. Organizational Meeting Summary of Conclusions
2. Terms of Reference

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DEPARTMENT OF STATE

Washington, D.C. 20520

May 7, 1982

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Senior Interagency Group No. 23

PARTICIPANTS: See List Attached

DATE AND TIME: May 5, 1982, 3:35 p.m.

PLACE: Deputy Secretary's Conference Room 7219, Department of State

SUBJECT: Coordination of Technology Transfer Controls Program

SUMMARY OF CONCLUSIONS

Under Secretary Buckley opened the first meeting of the SIG on Technology Transfer by noting the multiplicity of existing agency committees engaged in technology transfer control. The creation of a SIG would permit more effective coordination of the control effort and meet concerns being raised in Congress, particularly in the impending Roth-Nunn hearings, over the administration's ability to protect U.S. technology. Finally, the SIG could coordinate the multilateral campaign necessary to bring allies into greater conformity with U.S. policy.

A CIA representative briefed the SIG on the Soviet program to acquire Western technology through overt and covert actions.

The Chairman raised the TOR for discussion, noting that it was not the intention of the SIG to encroach on the jurisdiction or activities of existing agency organs such as the Advisory Committee on Export Policy (ACEP) and the Export Administration Review Board (EARB) or decision processes such as those associated with the Militarily Critical Technologies List (MCTL). Rather the SIG would focus on the international aspects of the technology transfer problem, for example:

-- Follow-up to U.S. technology transfer points introduced in the Versailles and NATO Summits

-- COCOM Sub-committee on export control

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-- Spanish entry into COCOM

-- Visas and visa denials

The Chairman asked for verbal and written comments within a 10-day period regarding the TOR.

The Commerce representative described the TOR as an encroachment on the authority of the Secretary of Commerce and termed it unacceptable. He questioned the need for the SIG and the authority of the State Department to convene it. He made reference to a lack of confidence in State's toughmindedness in technology transfer decisions.

The NSA representative recommended that the TOR clarify the position of the PRC and third world states in the U.S. effort to control technology outflows. The chairman accepted the recommendation.

The Treasury representative asked Commerce to clarify its objections to the SIG. In reply, the Commerce representative referred to what he termed the proliferation of SIGs in general and the encroachment upon Department of Commerce policymaking authority in the present case. The Chairman disclaimed intent to undermine existing authorities in Commerce or any other agency.

The OSD representative reserved comment on the TOR pending further study.

The JCS representative asked for a clarification of Defense's role in defining strategic technology. He stated that JCS wished to be active in it and subscribed to the OSD reservation pending further study of the TOR.

The ACDA representative stated that ACDA was participating adequately in the present technology transfer structure and expressed concerns parallel to those of Commerce with respect to the SIG.

The NSC representative asked that nothing impinge on the present Department of Justice committee. The Chairman repeated that the SIG did not intend to interrupt existing organizations, including Justice's.

The Energy representative hoped that the creation of a new SIG might permit the elimination of an existing one.

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Ambassador Kirkpatrick's representative asked Commerce whether in Commerce's view the existing structure dealt satisfactorily with the problems described by the CIA briefer and, if not, what Commerce proposed to improve the U.S. control mechanism. Commerce replied that the system was not adequate but that progress had been made under the present administration, and it could not be said that the system did not work. The UNA representative repeated that the current system has not adequately met the problem as posed by the CIA briefer, and that Commerce had as yet offered no remedy.

The SIG chairman reiterated that a central forum for discussion of U.S. control activities, particularly the international cooperation aspects which lay within the realm of U.S. foreign policy and thus of the Secretary of State, was required if the U.S. effort was to be better coordinated. The problem could not be solved by bureaucratic parochialism but by a critical self-assessment focused on the problem and a sensible solution to it. He requested agency contributions to such an assessment.

The Commerce representative requested a rapid distribution of the minutes. This was agreed.

The Chairman in closing referred to the proposal in the TOR that the SIG form a Special Projects Committee to handle particular items needing attention or follow-up. The question of better staffing and coordination within U.S. embassies with respect to the technology transfer problem was one such item. The Chairman proposed that it be the first subject of inquiry by the Special Projects Committee. The Commerce representative wished that that Commerce's participation in such a committee not be taken as prejudging Commerce's overall objection to the SIG.

Action Assignments

1. Members of the SIG were asked to forward comments on the TOR to the SIG Chairman within 10 days (by COB May 17).
2. The Chairman requested that PM's Deputy Director Stefan Halper contact SIG members by telephone to discuss the proposed Special Projects Committee study of ways to improve our embassy situation.

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SIG MEETING - TECHNOLOGY TRANSFER

May 5, 1982 - 3:30 p.m.

Room 7219

PARTICIPANTS

--State:	Under Secretary Buckley, Chairman Stefan Halper, PM Denis Lam, EB Victor Comras, EB Michael Marks, T Tain Tompkins, S/S-S (Notetaker)	
OVP:	William Eckert	
NSC:	Gus Weiss Gill Rye	OSTP: Ed McGaffigan
ACDA:	Robert Grey Arch Turrentine	Treasury: William E. Barreda Seymour Bolten
CIA:	Robert Gates <div data-bbox="469 989 792 1037"></div>	UNA: Harvey Feldman USTR: James M. Murphy, J25X1
Commerce:	Lawrency Brady	
DOE:	Jan Mares Vance H. Hudgins	
JCS	MGEN Daryle Tripp CDR William Truesdell	
Justice:	Thomas Marum Joseph Tafe	
NASA	Douglas R. Norton	
NSA	<div data-bbox="472 1455 837 1539"></div>	25X1
OSD	Tal Lindstrom John Konfala Oles Lomacky	

**CONFIDENTIAL****TERMS OF REFERENCE****I. Background**

Continued access by the Soviet Union and its allies to advanced Western technology is a matter of great concern to this Administration. Overt and covert Soviet acquisition, both in the U.S. and abroad, of sophisticated equipment and know-how has significantly enhanced its military production capabilities and military power. The organization, scope, and tempo of U.S. Government efforts to stem this flow, though recently increased, is fragmented and insufficient in relation to the magnitude of the problem. The Administration needs a central forum for policy formation, coordination, and implementation on this issue if its efforts to counter this threat are to achieve maximum effectiveness.

**II. Senior Interagency Group on the Transfer of Strategic Technology****A. The objectives of this group will be:**

1. to serve as a central policy-making forum in the U.S. Government's effort to inhibit acquisition of militarily-relevant equipment and technologies by the Soviet Union and its allies,
2. to direct the implementation of policy in this area,
3. to oversee and coordinate the activities of the



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interagency community on strategic technology transfer issues, and

4. to resolve issues elevated to it from any existing interagency structure.

B. The membership of this group will include representatives from State, CIA, OSD, JCS, OVP, Commerce, UNA, DOE, Treasury, Justice, NSC, NSA, ACDA, OSTP, and NASA.

C. The chairmanship of this group will be held by the Under Secretary of State for Security Assistance, Science, and Technology.

### III. Interagency Committee on Special Projects in Strategic Technology Transfer

A. The objectives of this group will be:

1. to identify specific strategic technology problems, to develop strategies in response, and, with SIG approval, to coordinate interagency implementation of these plans,  
- and in this regard the Committee will propose specific measures -
2. to persuade foreign governments to strengthen their control over strategic technology,
3. to raise the priority given to this problem by U.S. Government representatives abroad,
4. to systematically acquire information on diver-

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sionary systems and attempt to curtail them.

- B. The members of this committee will be State, DOD, DOE, Commerce, CIA, Customs, NSA, Justice, FBI, and NSC.
- C. The chairmanship of this committee will be held by the Director of the Bureau of Politico-Military Affairs in the Department of State.